

City of Mesa

FY 2010/11 Budget Presentation

February 11, 2011

Presented by the Budget & Research Office



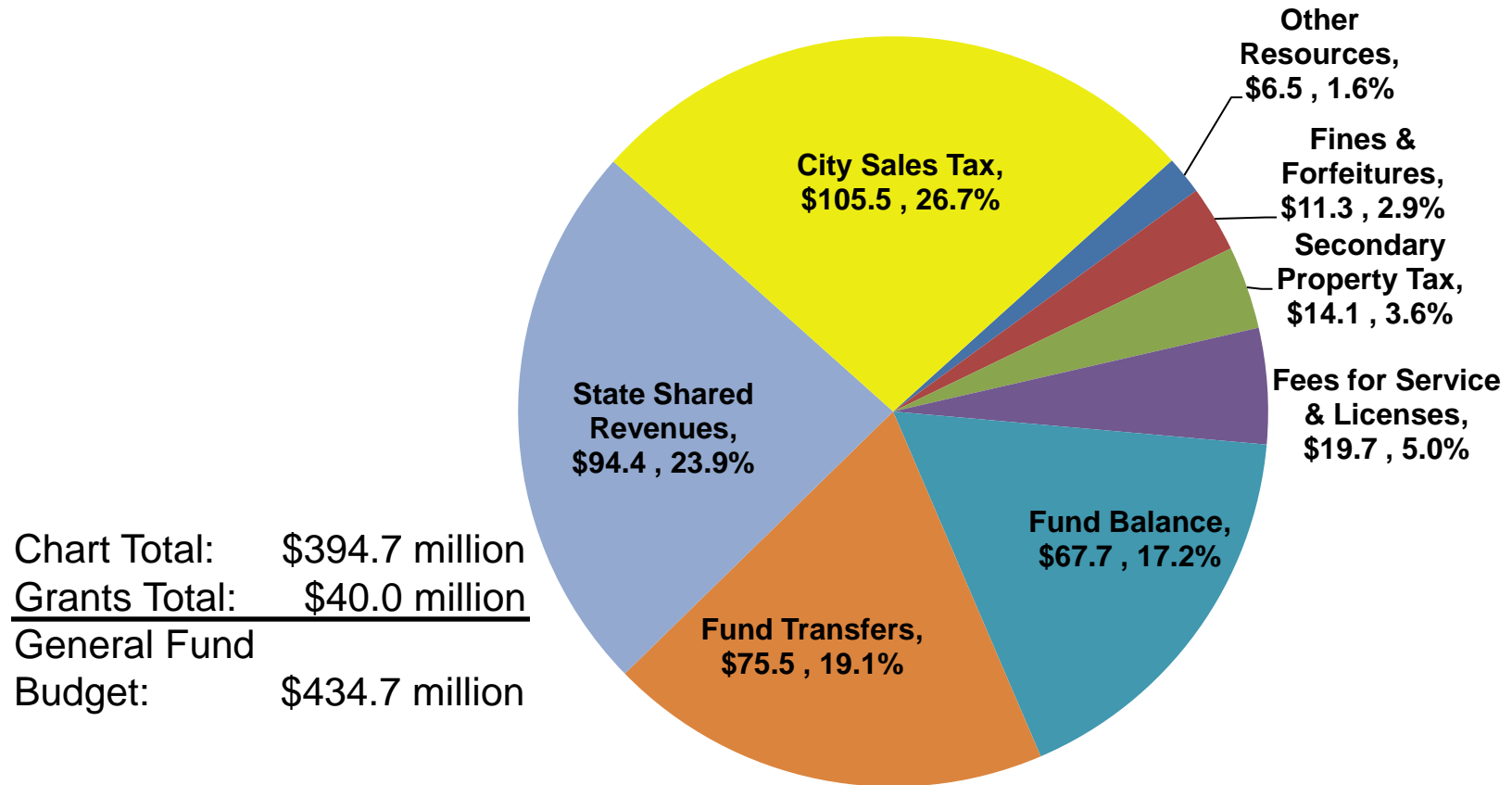
FY 2009/10 Savings General Fund

	(in millions)
Net Realized Savings	\$ 22.2
Fund Balance Target of 8%	<u>\$ 3.2</u>
09/10 Total Net Savings and Fund Balance	\$ 25.4

General Fund*

FY 2010/11 Budgeted Resources

(In Millions)



•Chart Excludes grants

City Sales Tax – FY 10/11

- City total sales tax is down \$5.2M through November report from the budgeted amount.
 - This is about 5% below the annual budget and 8% below the year-to-date budget.
 - The current year-end projection is 6.4% below the annual budget.
- General Fund portion of the city sales tax is down \$4.5M so far this year from the budgeted amount.

General Fund* Revenue

FY 2010/11

	FY 09/10 Actual	FY 10/11 Budget	FY 10/11 Estimated	FY 10/11 Budget vs. Estimated	
City Sales Tax	\$ 102,116,412	\$ 105,518,000	\$ 98,749,000	\$ (6,769,000)	-6.4%
State Sales Tax	32,883,713	33,617,000	32,222,000	(1,395,000)	-4.1%
Vehicle License Tax	15,029,252	17,153,000	14,087,000	(3,066,000)	-17.9%
Licenses & Permits	9,271,058	8,188,000	8,128,000	(60,000)	-0.7%
Charges for Services	11,842,884	11,475,000	11,123,000	(352,000)	-3.1%
Fines & Forfeitures	10,508,203	11,256,000	12,508,000	1,252,000	11.1%
Urban Revenue Sharing	56,667,428	43,608,000	43,608,000	-	0.0%
Miscellaneous Revenues	10,940,652	6,527,000	7,189,000	662,000	10.1%
Total	\$ 249,259,601	\$ 237,342,000	\$ 227,614,000	\$ (9,728,000)	-4.1%

*Excludes grants and land sales, FY 09/10 updated with final year-end information

FY 10/11 vs. FY 11/12

General Fund* Revenue Comparison

	FY 10/11 Estimated	FY 11/12 Projected	FY 10/11 Estimated vs. FY 11/12 Projected	
City Sales Tax	\$ 98,749,000	\$ 102,098,000	\$ 3,349,000	3.4%
State Sales Tax	32,222,000	32,209,000	(13,000)	0.0%
Vehicle License Tax	14,087,000	13,787,000	(300,000)	-2.1%
Licenses & Permits	8,128,000	8,317,000	189,000	2.3%
Charges for Services	11,123,000	11,131,000	8,000	0.1%
Fines & Forfeitures	12,508,000	12,508,000	-	0.0%
Urban Revenue Sharing	43,608,000	36,796,000	(6,812,000)	-15.6%
Miscellaneous Revenues	7,189,000	6,662,000	(527,000)	-7.3%
Total	\$ 227,614,000	\$ 223,508,000	\$ (4,106,000)	-1.8%

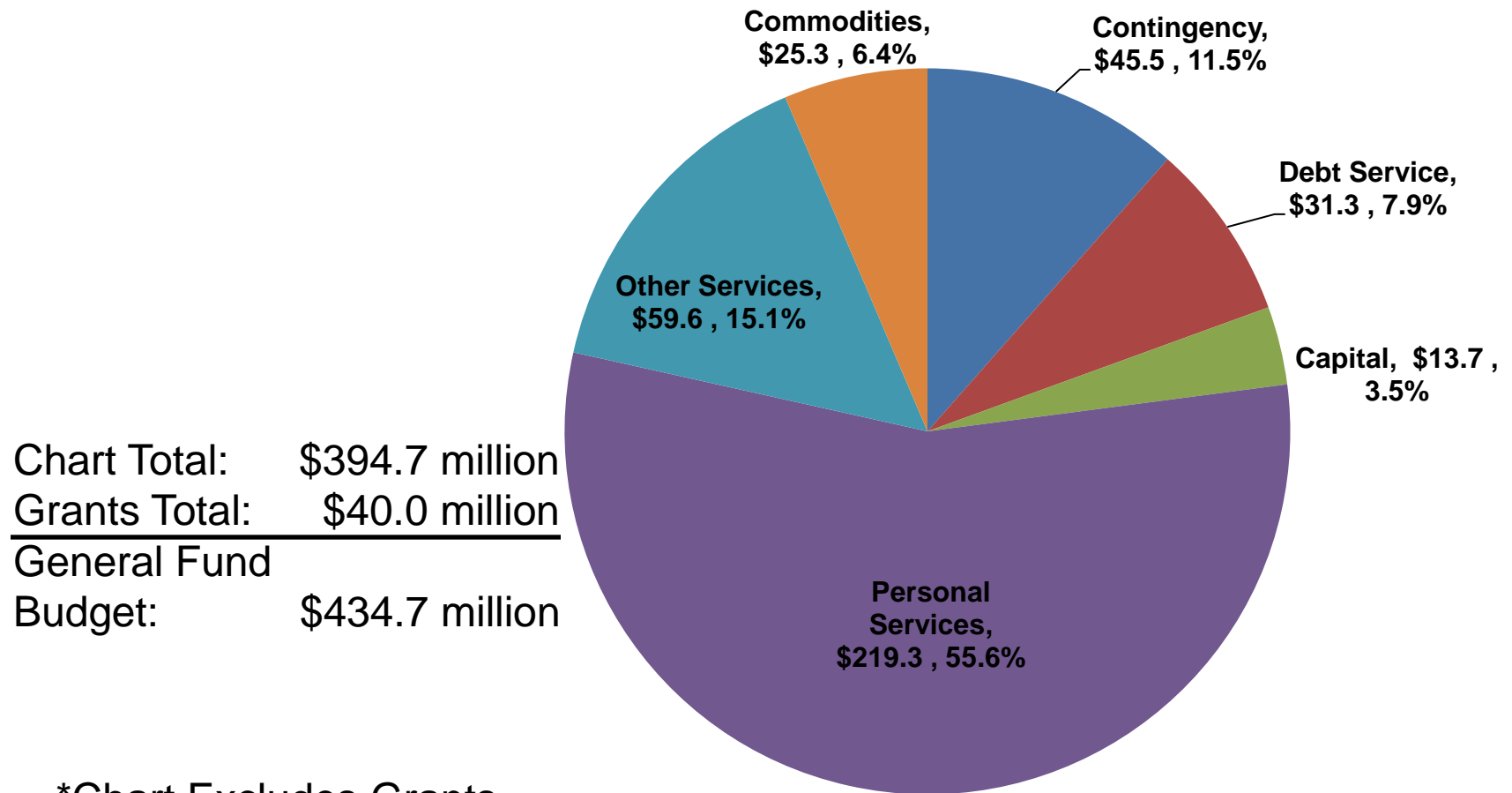
*Excludes grants and land sales.

Two Year General Fund Revenue Shortfall

(in millions)

Shortfall in 10/11 revised revenues	\$ (9.7)
Shortfall in 11/12 general fund revenues	\$ (13.8)
Continued Shortfall in 11/12 revenues	\$ (9.7)
Additional shortfall in 11/12 forecasted revenues	\$ (4.1)
Total two-year shortfall in general fund revenues	<hr/> \$ (23.5)

General Fund* by Expenditure Category FY 2010/11 Budget (In Millions)



*Chart Excludes Grants

Expenditure General Fund Pressures

	FY 10/11	FY 11/12	FY 12/13
Arizona State Retirement		\$ 676,319	\$ 379,000
Public Safety Retirement		\$ 1,958,000	\$ 2,000,000
Employee Benefit Trust	\$ 2,400,000	\$ 8,886,526	\$ 2,400,000
Worker's Compensation		\$ 1,228,622	\$ 1,514,000
Mass Transit			
Fixed Route		\$ 764,000	
Ride Choice		\$ 264,000	
Other Impacts		\$ 700,000	
Vehicle Replacement		\$ 1,556,000	
Elections			\$ 415,000
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	\$ 2,400,000	\$ 16,033,467	\$ 6,708,000

Two-Year Budget Shortfall General Fund

(in millions)

	Revenues	Expenditures	Total
FY 10/11	\$ (9.7)	\$ 2.4	\$ (12.1)
FY 11/12	\$ (13.8)	\$ 16.0	\$ (29.8)
Total	<hr/> \$ (23.5)	<hr/> \$ 18.4	<hr/> \$ (41.9)

Two-Year Net Budget Shortfall General Fund

	(in millions)
Two-Year Budget Shortfall	\$ (41.9)
09/10 Savings and Fund Balance	\$ 25.4
Net Two-Year Budget Shortfall	<hr/> \$ (16.5)

Budget Balancing Options

	(in millions)
Net Two-Year Budget Shortfall	\$ (16.5)
Options	\$ 9.6
Increase Employee Contribution to 2012 Healthcare Expenses	\$ 4.0
Reallocation of CityEdge Funding	\$ 5.6
Remaining Budget Shortfall	<hr/> \$ (6.9)

Secondary Property Tax

- FY 11/12 Forecast assumes no change in the property assessed value.
- Actual assessed value is likely to decrease, resulting in an adjusted rate in order to achieve the same levy amount.
 - Receipt of initial property value estimates is expected in February or March.

Budget Cycle

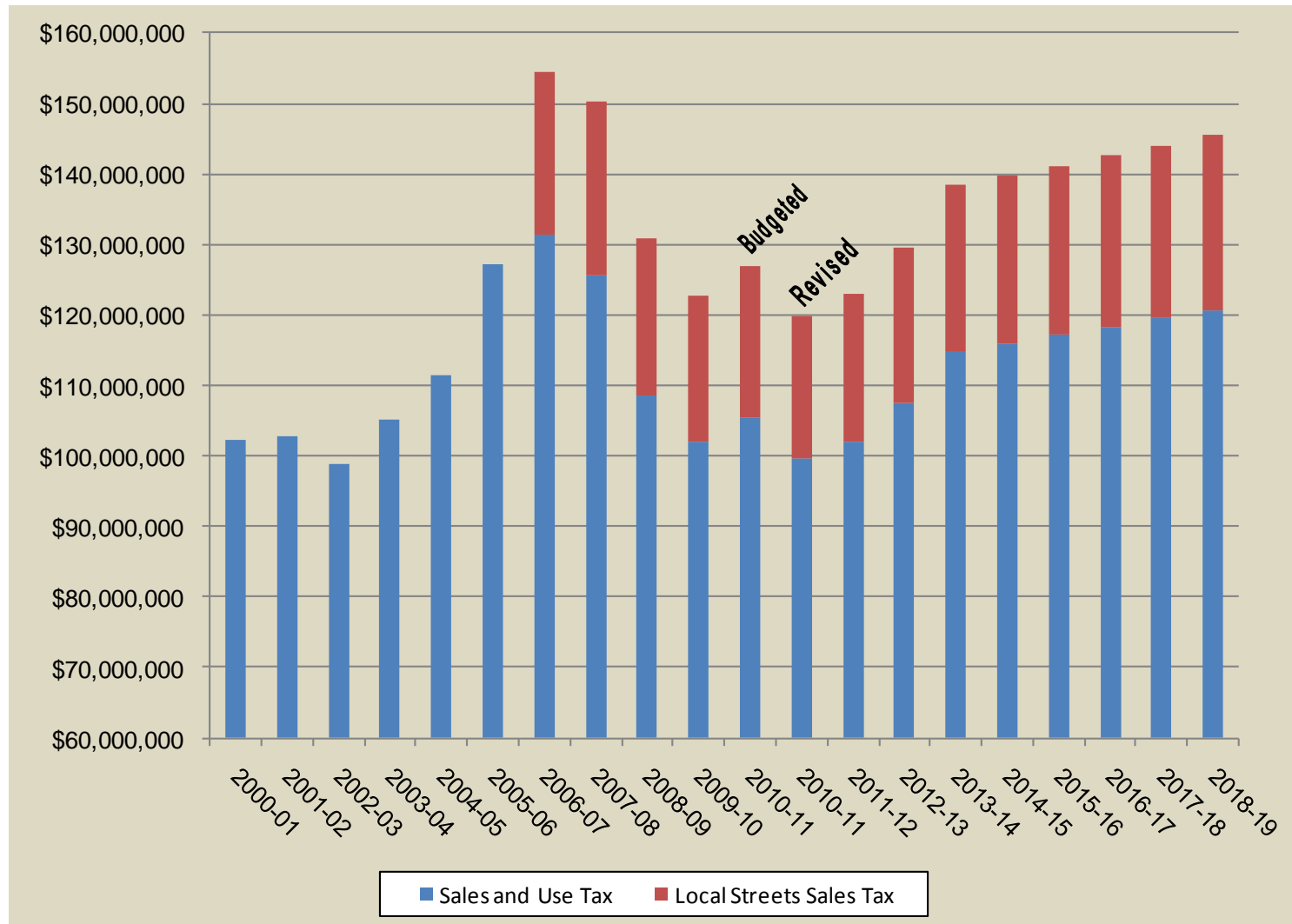
Important Dates for Council

Feb-May	<ul style="list-style-type: none"> • Department budgets presented to Council as requested
March	<ul style="list-style-type: none"> • Audit and Finance Committee reviews rates/fees
May 12	<ul style="list-style-type: none"> • Preliminary Executive Budget and Capital Improvement Plan submitted to Council
May 16	<ul style="list-style-type: none"> • Council adopts Notice of Intent to adjust utility rates
June 6	<ul style="list-style-type: none"> • Council adopts the 11/12 Tentative Budget
June 20	<ul style="list-style-type: none"> • Public Hearing on Final Budget, Capital Improvement Plan, and utility rate adjustments • Council adopts Final Budget, Capital Improvement Plan, and utility rate adjustments
July 7	<ul style="list-style-type: none"> • Council adopts Secondary Property Tax levy



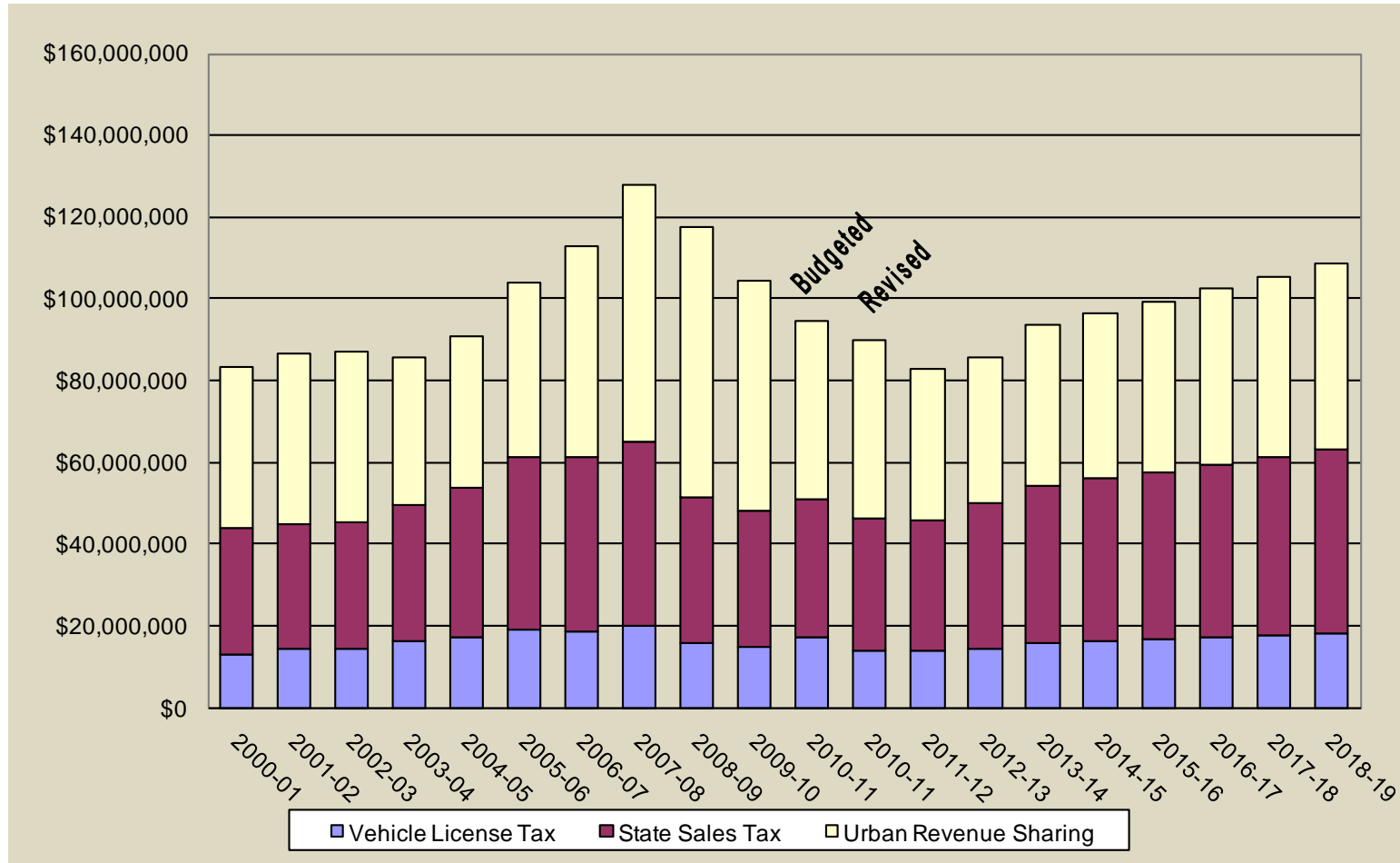
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City Sales Tax

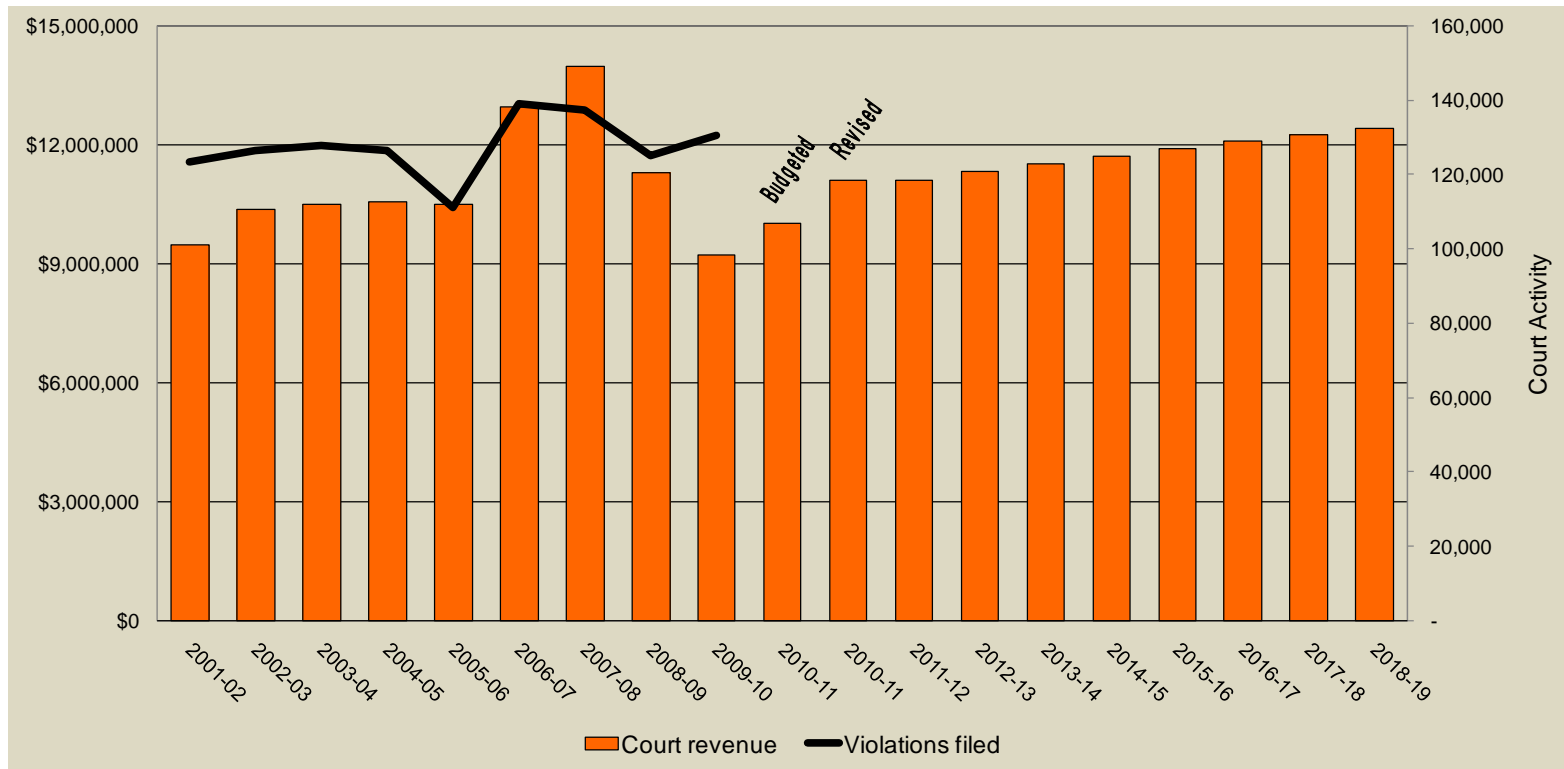


State Shared Revenues

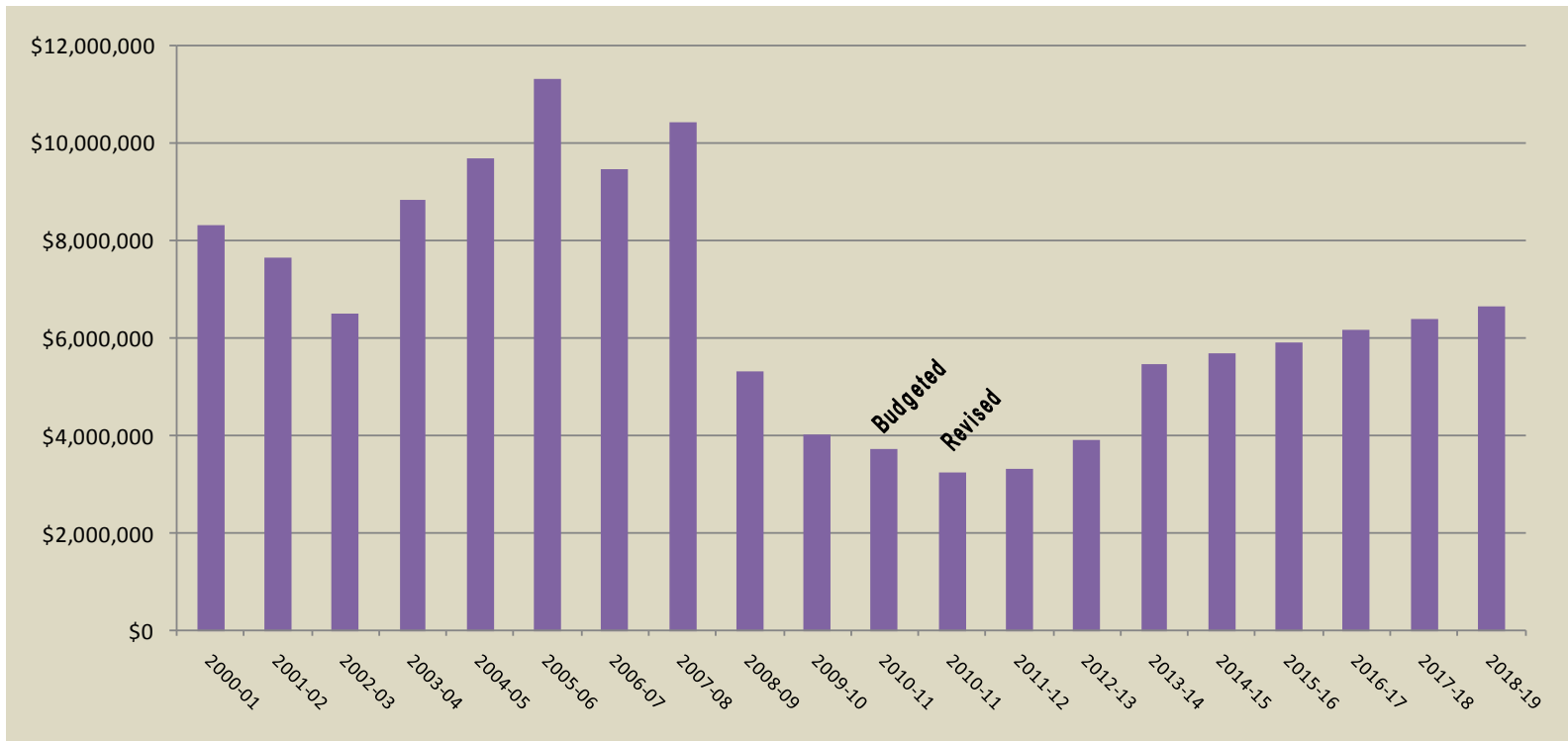
Vehicle License Tax | State Sales Tax | Urban Revenue Sharing



Court Revenues



Building Permit Revenue



11/12 Projected State Shared Revenue At Risk – General Fund

	FY10-11 Forecast	FY11-12 Projected
State Sales Tax	\$ 32,222,000	\$ 32,209,000
Vehicle License Tax	\$ 14,087,000	\$ 13,787,000
Urban Revenue Sharing	\$ 43,608,000	\$ 36,796,000
Total	<u>\$ 89,917,000</u>	<u>\$ 82,792,000</u>

State Sales Tax – Formula based on population

Vehicle License Tax – Formula based on population

Urban Revenue Sharing – Formula based on population

All projections are based on current policy and do not reflect any possible changes in the formulas.

State budgetary issues have not been resolved and cities remain at risk